

MONDAY, FEBRUARY 8, 1999

FOURTH LEGISLATIVE DAY

The House met at 5:00 p.m. and was called to order by Mr. Speaker Naifeh.

The proceedings were opened with prayer by Representative Maddox.

Representative Maddox led the House in the Pledge of Allegiance to the Flag.

ROLL CALL

The roll call was taken with the following results:

Present.....97

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh -- 97.

EXCUSED

The Speaker announced that the following member(s) has/have been excused, pursuant to request(s) under **Rule No. 20**:

Representative Buck; illness.

Representative Cole (Dyer); business reasons.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Joint Resolution No. 35: Rep. Bone added as prime sponsor(s).

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

**REPORT OF CHIEF ENGROSSING CLERK
February 5, 1999**

The following bill(s) have been transmitted to the Governor for his action: House Joint Resolution(s) No(s). 7 and 8.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

**MESSAGE FROM THE SENATE
February 8, 1999**

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 64; adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

Senate Joint Resolution No. 64 – Memorials, Death - King Hussein of Jordan. by *Cohen, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

**MESSAGE FROM THE SENATE
February 8, 1999**

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution(s) No(s). 25, 26, 29, 30, 31, and 32; all adopted for concurrence.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

Senate Joint Resolution No. 25 – Memorials, Death - J.B. Denton of McMinnville. by *Cooper.

Senate Joint Resolution No. 26 – Memorials, Personal Achievement - J.R. Tate, Appalachian Trail hiker. by *Kurita.

Senate Joint Resolution No. 29 – Memorials, Retirement - Pauline Sterry, Joelton Middle School. by *Haynes.

Senate Joint Resolution No. 30 – Memorials, Death - Harvie Branscomb, Chancellor Emeritus, Vanderbilt University. by *Henry, *Herron, *Harper, *Haynes, *Cohen.

Senate Joint Resolution No. 31 – Memorials, Professional Achievement - Dr. Philip M. Mathis, Outstanding Undergraduate Science Teacher Award recipient. by *Womack.

Senate Joint Resolution No. 32 – Memorials, Retirement - Hilman Key. by *Graves.

INTRODUCTION OF RESOLUTIONS

On motion, pursuant to **Rule No. 17**, the resolution(s) listed was/were introduced and referred to the appropriate Committee:

***House Joint Resolution No. 29** -- Constitutional Amendments - Bans discrimination or preferential treatment on basis of race, gender, color, ethnicity, or national origin by state or local governments. by *Dunn.

House State and Local Government Committee

***House Joint Resolution No. 33** -- General Assembly, Studies - Creates joint committee to study obesity. by *Patton, *Jones, S., *Caldwell, *Ford S, *Curtiss, *Tidwell, *Maddox, *Fitzhugh, *Davis (Wash), *Harwell, *Miller L, *DeBerry J, *Chumney, *Cooper B, *Cole (Carter), *Kent, *Jackson, *Godsey, *McKee, *Pruitt, *Hood, *McDaniel, *Odom, *Brooks.

House Health and Human Resources Committee

***House Joint Resolution No. 34** -- General Assembly, Studies - Directs legislative study of community reinvestment practices of certain financial institutions designated as depositories of state funds. by *Brown.

House Commerce Committee

***House Resolution No. 6** -- General Assembly, Statement of Intent or Position - Encourages Environmental Protection Agency to provide more flexibility in auto emission reduction proposal. by *Williams (Williamson).

House Conservation and Environment Committee

RESOLUTIONS

Pursuant to **Rule No. 17**, the following resolution(s) was/were introduced and placed on the Consent Calendar for February 10, 1999:

House Resolution No. 7 -- Memorials, Recognition and Thanks - Charles Wayne "Bubba" Rose. by *Phillips.

House Joint Resolution No. 37 -- Memorials, Retirement - Ben K. Wilson. by *McKee.

House Joint Resolution No. 38 -- Memorials, Personal Achievement - Jordan Adams, Foreign Minister's Award. by *Mumpower, *Godsey, *Westmoreland.

House Joint Resolution No. 39 -- Memorials, Death - Lloyd McKenzie. by *Davis (Cocke), *Roach.

House Joint Resolution No. 40 -- Memorials, Death - Mayor James Robinson. by *Davis (Cocke), *Whitson.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Joint Resolution No. 41 -- Memorials, Death - John Porter. by *Davis (Cocke), *Whitson.

House Joint Resolution No. 42 -- Memorials, Death - Fred E. Hixson. by *Davis (Cocke).

House Joint Resolution No. 43 -- Memorials, Death - Morris Terry "Doodle" Quinton. by *Davis (Cocke).

House Joint Resolution No. 44 -- Memorials, Public Service - Coach Andy Trautman, Germantown Lions Club 1998 Citizen of the Year. by *Scroggs.

House Joint Resolution No. 47 -- Memorials, Congratulations - Jean and Thomas Hutchinson, Golden Wedding Anniversary. by *Hood, *Eckles.

House Joint Resolution No. 48 -- Memorials, Personal Occasion - Allen and Mary Watts, 50th wedding anniversary. by *Hood, *Eckles.

House Joint Resolution No. 49 -- Memorials, Sports - Oakland High School football team, TSSAA Division 1 Class 5A state champion. by *Hood, *Eckles.

**SENATE JOINT RESOLUTIONS
(Congratulatory and Memorializing)**

Pursuant to **Rule No. 17**, the resolution(s) listed was/were noted as being placed on the Consent Calendar for February 10, 1999:

Senate Joint Resolution No. 25 -- Memorials, Death - J.B. Denton of McMinnville. by *Cooper.

Senate Joint Resolution No. 26 -- Memorials, Personal Achievement - J.R. Tate, Appalachian Trail hiker. by *Kurita.

Senate Joint Resolution No. 29 -- Memorials, Retirement - Pauline Sterry, Joelton Middle School. by *Haynes.

Senate Joint Resolution No. 30 -- Memorials, Death - Harvie Branscomb, Chancellor Emeritus, Vanderbilt University. by *Henry, *Herron, *Harper, *Haynes, *Cohen.

Senate Joint Resolution No. 31 -- Memorials, Professional Achievement - Dr. Philip M. Mathis, Outstanding Undergraduate Science Teacher Award recipient. by *Womack.

Senate Joint Resolution No. 32 -- Memorials, Retirement - Hilman Key. by *Graves.

Senate Joint Resolution No. 64 -- Memorials, Death - King Hussein of Jordan. by *Cohen, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

INTRODUCTION OF BILLS

On motion, the following bills were introduced and passed first consideration:

***House Bill No. 279** – Motor Vehicles, Titling and Registration - Authorizes issuance of Sons of Confederate Veterans new specialty earmarked license plate; earmarks revenues produced from sale thereof. Amends TCA Title 55, Chapter 4. by *McDaniel.

***House Bill No. 280** – Bail, Bail Bonds - Allows county commissioner to be bail bondsman while retaining present prohibition for all other duly elected or appointed county officials from acting as bail bondsmen. Amends TCA Section 40-11-128 and Section 40-11-313. by *McDaniel.

***House Bill No. 281** – Barbers - Authorizes issuance of special certificate of registration to practice barbering to certain persons born prior to April 30, 1923 under certain conditions. Amends TCA Section 62-3-132. by *McDaniel.

***House Bill No. 282** – Teachers, Principals and School Personnel - Allows educators employed as career level I teachers as of June 13, 1997, to apply for and maintain career level II status. Amends TCA Title 49, Chapter 5, Part 50. by *McDaniel.

***House Bill No. 283** – Private Investigators - Requires private investigators to complete 12 hours of continuing professional education each two-year licensing period instead of six hours each year. Amends TCA Section 62-26-225. by *McDaniel.

***House Bill No. 284** – Education, Higher - Extends 25 percent state employee/public school teacher tuition discount to children of parent who retired as a public school teacher after minimum of 25 years of full time creditable service. Amends TCA Section 49-7-119. by *McDaniel.

House Bill No. 285 – Juvenile Offenders - Requires mandatory transfer from juvenile court to criminal court, for prosecution as adult, of child, regardless of age, charged with conduct that would be first degree murder or second degree murder; deletes present requirement of hearing on whether to transfer. Amends TCA Section 37-1-134. by *Curtiss.

House Bill No. 286 – Insurance Companies, Agents, Brokers, Policies - Prohibits cancellation of homeowner insurance policies for reason of "high risk" without providing insured with specific reasons for such cancellation. Amends TCA Title 56, Chapter 7. by *Dunn.

House Bill No. 287 – Firefighters - Allows specific amount of bonus pay to eligible firefighters of at least \$600 annually up to 5 percent of each eligible firefighter's salary. Amends TCA Title 4, Chapter 24 and Title 56, Chapter 4. by *Newton.

***House Bill No. 288** – Uniform Commercial Code - Removes requirement that warehouse receipt must be issued to create warehouseman's lien thereby recognizing lien whether transactions are conducted electronically or when paper receipt is issued. Amends TCA Section 47-7-209. by *Newton.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 289 – Campaigns - Allows county or municipal employee or citizen to remove campaign signs, posters or placards from highway rights-of-way and publicly owned property three weeks after election; specifies that such persons not liable or subject to punitive measures for such removal. Amends TCA Section 2-1-116. by *Newton.

House Bill No. 290 – Firearms and Ammunition - Gives person who is state magistrate defense to criminal offense of unlawful possession or carrying of weapon. Amends TCA Section 39-17-1308. by *Newton.

***House Bill No. 291** – Highway Signs - "Harold G. Blankenship Memorial Highway, S.R. 261 from Lafayette to state line. by *Buck, *Winningham.

House Bill No. 292 – Franklin - Subject to local approval, changes election date in 1999 only. Amends Chapter 126 of the Private Acts of 1967. by *Sargent, *Williams (Williamson).

House Bill No. 293 – Municipal Government - Authorizes municipalities by ordinance to prohibit release of personal identifying information of its employees if release would endanger employees' lives; such information shall be confidential and not open for public inspection. Amends TCA Title 6, Chapter 54, Part 1. by *Maddox.

House Bill No. 294 – Workers' Compensation - Increases from \$10,000 to \$20,000 lump sum amount paid to estate of deceased employee where such employee leaves no dependents. Amends TCA Section 50-6-209. by *Maddox.

House Bill No. 295 – Weakley County - Subject to local approval, revises provisions relative to collection of building permit fees. Amends Chapter 205 of the Private Acts of 1992. by *Maddox.

House Bill No. 296 – Teachers, Principals and School Personnel - Revises procedures on evaluation of apprentice teachers to recognize elimination of probationary teacher status. Amends TCA Section 49-5-5606. by *Maddox.

***House Bill No. 297** – Safety - Requires fire drills three times a year rather than twice a month in buildings occupied by educational institutions. Amends TCA Section 68-102-137. by *Maddox.

***House Bill No. 298** – Criminal Offenses - Creates Class B misdemeanor offense for failing to report commission, impending commission or suspected commission of a crime to law enforcement authorities. Amends TCA Title 39, Chapter 16, Part 6. by *Maddox.

***House Bill No. 299** – Mental Retardation - Makes certain changes to requirements for background checks on employment applicants and volunteers who work with mentally ill persons or persons with developmental disabilities. Amends TCA Title 33. by *Maddox.

House Bill No. 300 – Teachers, Principals and School Personnel - Deletes references to "probationary teacher" to reflect removal of that position by 1998 statute. Amends TCA Title 49, Chapter 5, Parts 50 through 56 and Section 49-6-3004. by *Maddox.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

***House Bill No. 301** – Workers' Compensation - Increases from \$4,500 to \$9,000 amount of burial expenses paid for deceased employee who died from injury or occupational disease. Amends TCA Section 50-6-204. by *Maddox.

***House Bill No. 302** – Education - Changes the name of "guidance counselor" to "school counselor." Amends TCA Title 49. by *Maddox, *Lewis.

House Bill No. 303 – Consumer Protection - Makes unsolicited loans that resemble checks violation of the Consumer Protection Act. Amends TCA Title 47, Chapter 18. by *Fitzhugh.

***House Bill No. 304** – Managed Care Organizations - Permits insured or health plan enrollee to sue insurance company or managed care organization over health care treatment decisions. Amends TCA Title 56. by *Fitzhugh.

***House Bill No. 305** – Custody and Support - Refines of "willfully failed to visit" and "willfully failed to support" for purposes of abandonment, termination of parental rights and adoption. Amends TCA Title 36, Chapter 1, Part 1. by *Fitzhugh.

House Bill No. 306 – Salaries and Benefits - Authorizes state insurance committee to develop mechanism to permit employee to enroll in group insurance plan after having declined enrollment during the initial eligibility period; criteria to be expanded beyond qualifying event so long as such criteria does not conflict with federal law. Amends TCA Title 8, Chapter 27. by *Fitzhugh.

House Bill No. 307 – Estates - Raises gross estate limit on small estate from \$25,000 to \$50,000 for purposes of administration; redefines "property" for small estate administrative purposes to include real property or interest therein valued at \$50,000 or less. Amends TCA Title 30, Chapter 4. by *Fitzhugh.

***House Bill No. 308** – Employees, Employers - Requires employers that own or operate convenience stores to have at least two employees on duty during hours of 9:00 p.m. through 6:00 a.m.; each violation is Class C misdemeanor. Amends TCA Title 50, Chapter 1, Part 3. by *Davis (Cocke).

***House Bill No. 309** – Statutes - Defines "general assembly" as both the house and senate and period of time from convention of first annual session to adjournment sine die of second annual session. Amends TCA Titles 1 through 71. by *Davis (Cocke).

***House Bill No. 310** – Insurance, Health, Accident - Lowers maximum number of employees to be "small employer" under Tennessee Small Employer Group Health Coverage Reform Act from 25 to 20. Amends TCA Title 56 and Title 71. by *Davis (Cocke).

House Bill No. 311 – Greene County - Subject to local approval, raises litigation tax from \$10.00 to \$15.00; directs that funds generated by additional \$15.00 litigation tax be used exclusively for purchasing vehicles and equipment for sheriff's department. Amends Chapter 155 of the Private Acts of 1996; as amended. by *Davis (Cocke), *Whitson.

House Bill No. 312 – Milan - Subject to local approval, rewrites charter. - Repeals Chapter 458, Acts of 1901, as amended. by *Pinion, *Phelan.

House Bill No. 313 – Salaries and Benefits - Entitles assistant public defender or district investigator to request division of state audit to audit records relative to compensation or prior service credits if compensation or prior service credits were reduced following enactment of Chapter 1007 of the Public Acts of 1994; creates remedy. Amends TCA Section 8-14-207. by *Ford S, *Sharp, *Patton, *Cole (Carter), *Rhinehart, *Buck, *Head.

House Bill No. 314 – Criminal Offenses - Creates Class E felony offense for theft of anhydrous ammonia with intent to use in manufacture of controlled substance. Amends TCA Title 39, Chapter 17, Part 4. by *Pinion.

House Bill No. 315 – Medical Occupations - Authorizes physician assistants to prescribe certain legend drugs or controlled substances. Amends TCA Title 63, Chapter 19, Part 1. by *Caldwell.

***House Bill No. 316** – Taxes - Establishes review and sunset program for certain tax exemptions that result in revenue losses of \$1 million or more. Amends TCA Title 67. by *Kisber, *Head, *Rinks, *Phelan, *McKee.

House Bill No. 317 – Taxes, Sales - Repeals sales and use tax exemption for services rendered between parent corporation and wholly-owned subsidiaries. - Repeals TCA Section 67-6-350. by *Kisber.

House Bill No. 318 – TennCare - Requires 24 hour a day, seven days a week, access to appropriate department for determination of benefits eligibility for persons at hospital for emergency treatment. Amends TCA Title 71. by *Kisber.

House Bill No. 319 – Welfare - Permits use of state money as matching funds for individual development accounts (IDA); authorizes state to expend up to \$125,000 as matching funds and \$20,000 for contracting with state-wide non-profit organization to facilitate further use of IDA projects. Amends TCA Title 71, Chapter 3, Part 10. by *Pruitt, *DeBerry J, *Eckles, *Arriola, *Armstrong, *Jones, S., *Ferguson, *Windle, *Langster, *Caldwell, *Odom, *Turner (Hamilton), *Patton, *McDaniel, *DeBerry L.

***House Bill No. 320** – TennCare - Requires that application for TennCare include place of residence as well as address. Amends TCA Section 71-5-110. by *Patton, *Caldwell, *Ford S, *Curtiss, *Tidwell, *Fitzhugh, *Davis (Wash), *Harwell, *Beavers, *Dunn, *Cole (Carter), *Kent, *Jackson, *Godsey, *Mumpower, *Odom, *Montgomery, *Buttry, *McKee, *Hood, *McDaniel.

***House Bill No. 321** – Education - Requires seven safety drills per school term rather than two; specifies that at least four drills shall involve evacuation of entire building. Amends TCA Section 49-5-201. by *Maddox.

House Bill No. 322 – Children - Adds Knox County and any municipality in Knox County to counties and municipalities allowed to adopt Child Curfew Act of 1995 by resolution or ordinance. Amends TCA Title 39, Chapter 17, Part 17. by *Buttry.

***House Bill No. 323** – Real Estate Agents and Brokers - Prohibits payment of referral fee by broker to non-broker; requires reasonable cause for payment of referral fee. Amends TCA Title 62, Chapter 13. by *Sands.

***House Bill No. 324** – Criminal Offenses - Reclassifies punishment for assaults committed against law enforcement officers, correctional officers, firefighters and emergency medical care providers from Class A misdemeanor to Class E felony, if assault causes bodily injury or causes reasonable fear of imminent bodily injury, and from Class B to Class A misdemeanor if assault causes extremely offensive or provocative physical contact. Amends TCA Title 39, Chapter 13, Part 1. by *Sands.

***House Bill No. 325** – Workers' Compensation - Authorizes injured employee to file workers' compensation claim in employee's county of residence or county in which accident occurred. Amends TCA Section 50-6-225. by *Buck.

***House Bill No. 326** – Highway Signs - "Chattanooga African American Museum," Exit 1, I24. by *Brown, *Sharp, *Stulce, *Turner (Hamilton), *McAfee, *Wood, *Armstrong.

House Bill No. 327 – Education, Higher - Authorizes American sign language to be used to satisfy college entrance and graduation foreign language requirements. Amends TCA Title 49, Chapter 7, Part 1 and Section 49-6-1009. by *Brown.

***House Bill No. 328** – Public Funds and Financing - Increases state match available to human resource agencies and increases from 15 cents to 20 cents per capita limit that counties may contribute to fund agencies. Amends TCA Section 13-26-107. by *Rhinehart.

House Bill No. 329 – Taxes, Alcoholic Beverages - Extends temporary tax on soft drinks and barrels of beer until June 30, 2005; requires department of transportation to report to governor and speakers annually on revenues generated, programs receiving funds and purposes of expenditures. Amends TCA Section 57-5-201 and Section 67-4-402. by *Rhinehart.

House Bill No. 330 – Salaries and Benefits - Entitles assistant public defender or district investigator to request division of state audit to audit records relative to compensation or prior service credits if compensation or prior service credits were reduced following enactment of Chapter 1007 of Public Acts of 1994; creates remedy. Amends TCA Section 8-14-207. by *Rhinehart.

House Bill No. 331 – Interest Rates - Changes interest on judgments from 10 percent to formula rate as last published in Tennessee Administrative Register or 10 percent, whichever is less; does not affect interest on judgments based on note, contract or other writing fixing rate of interest. Amends TCA Section 47-14-121. by *Kisber.

House Bill No. 332 – TennCare - Requires TennCare MCOs to contract with certain hospitals. Amends TCA Title 56 and Title 71. by *Kisber.

House Bill No. 333 – Public Records - Clarifies records of local government which consist of personal property tax return obtained from or furnished by taxpayer are public records; creates offense to furnish information or records which are confidential. Amends TCA Title 67, Chapter 5, Part 5. by *Cole (Dyer), *Phelan, *Westmoreland, *Newton, *Sargent.

***House Bill No. 334** – Aged Persons - Increases daily reimbursement for licensed residential homes for aged included in pilot program from \$13.00 to \$15.00. Amends TCA Title 12, Chapter 4, Part 3. by *Pruitt.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

***House Bill No. 335** – Public Defenders - Allows newly employed public defenders reasonable length of time to conclude or transfer cases pending over from private practice; empowers district public defender to approve certain prior service credits for assistant public defenders and district investigators; deletes prior service credit computation provision. Amends TCA Title 8, Chapter 14. by *Buck.

***House Bill No. 336** – Auctions and Auctioneers - Makes changes to requirements for auctioneer licensing and continuing education; sets forth provisions relative to auction gallery licenses. Amends TCA Title 62, Chapter 19, Part 1. by *Sands.

***House Bill No. 337** – Auctions and Auctioneers - Creates full time licensing technician for auctioneer commission. Amends TCA Title 62, Chapter 19, Part 1. by *Sands.

***House Bill No. 338** – Unemployment Compensation - Deletes one week waiting period before unemployment benefits begin. Amends TCA Section 50-7-302. by *Bowers, *West.

House Bill No. 339 – Sunset Laws - Board of chiropractic examiners, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 4. by *Kernell, *Garrett, *Brooks.

House Bill No. 340 – Sunset Laws - Collection service board, June 30, 2007. Amends TCA Title 4 Chapter 29 and Title 62, Chapter 20. by *Kernell, *Garrett, *Brooks.

House Bill No. 341 – Sunset Laws - Tennessee board for economic growth, June 30, 2007. Amends TCA Title 4, Chapters 14 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 342 – Sunset Laws - Public livestock market board, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 44, Chapter 12. by *Kernell, *Garrett, *Brooks.

House Bill No. 343 – Sunset Laws - Private investigation commission, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 26. by *Kernell, *Garrett, *Brooks.

House Bill No. 344 – Sunset Laws - Board of polygraph examiners, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 27. by *Kernell, *Garrett, *Brooks.

House Bill No. 345 – Sunset Laws - Tennessee auctioneer commission, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 19. by *Kernell, *Garrett, *Brooks.

House Bill No. 346 – Sunset Laws - Board of boiler rules, June 30, 2007. Amends TCA Title 4, Chapter 29. and Title 68, Chapter 122. by *Kernell, *Garrett, *Brooks.

House Bill No. 347 – Sunset Laws - Private protective services board, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 35. by *Kernell, *Garrett, *Brooks.

House Bill No. 348 – Sunset Laws - Board of osteopathic examination, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 9. by *Kernell, *Garrett, *Brooks.

House Bill No. 349 – Sunset Laws - Board of medical examiners, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 6. by *Kernell, *Garrett, *Brooks.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 350 – Sunset Laws - Board of optometry, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 8. by *Kernell, *Garrett, *Brooks.

House Bill No. 351 – Sunset Laws - Board of dispensing opticians, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 14. by *Kernell, *Garrett, *Brooks.

House Bill No. 352 – Sunset Laws - Board of communication disorders and sciences, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 17. by *Kernell, *Garrett, *Brooks.

House Bill No. 353 – Sunset Laws - Industrial development division, building finance committee, June 30, 2007. Amends TCA Title 4, Chapters 14 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 354 – Sunset Laws - Civil service commission, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 8, Chapter 30. by *Kernell, *Garrett, *Brooks.

House Bill No. 355 – Sunset Laws - Real estate commission, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 13. by *Kernell, *Garrett, *Brooks.

House Bill No. 356 – Sunset Laws - Board of pharmacy, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 10. by *Kernell, *Garrett, *Brooks.

House Bill No. 357 – Sunset Laws - Board of dentistry, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 5. by *Kernell, *Garrett, *Brooks.

House Bill No. 358 – Sunset Laws - Board of examiners for architects and engineers, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 2. by *Kernell, *Garrett, *Brooks.

House Bill No. 359 – Sunset Laws - Board of nursing, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 7. by *Kernell, *Garrett, *Brooks.

House Bill No. 360 – Sunset Laws - Department of personnel, June 30, 2007. Amends TCA Title 4, Chapters 3 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 361 – Sunset Laws - State board for licensing contractors, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 6. by *Kernell, *Garrett, *Brooks.

House Bill No. 362 – Sunset Laws - Board of funeral directors and embalmers, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 5. by *Kernell, *Garrett, *Brooks.

House Bill No. 363 – Sunset Laws - Tennessee science and technology council, June 30, 2007. Amends TCA Title 4, Chapters 14 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 364 – Sunset Laws - Elevator safety board, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 68, Chapter 121. by *Kernell, *Garrett, *Brooks.

House Bill No. 365 – Sunset Laws - Board of land survey examiners, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 18. by *Kernell, *Garrett, *Brooks.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 366 – Sunset Laws - Board of barber examiners, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 367 – Sunset Laws - Tennessee growth fund, June 30, 2007. Amends TCA Title 4, Chapters 17 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 368 – Sunset Laws - Council for hearing instrument specialists, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 63, Chapter 17. by *Kernell, *Garrett, *Brooks.

House Bill No. 369 – Sunset Laws - Board of veterinary medical examiners, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 63, Chapter 12. by *Kernell, *Garrett, *Brooks.

House Bill No. 370 – Sunset Laws - Tennessee medical laboratory board, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 68, Chapter 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 371 – Sunset Laws - Emergency medical services board, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 68, Chapter 140. by *Kernell, *Garrett, *Brooks.

House Bill No. 372 – Sunset Laws - Department of economic and community development, June 30, 2007. Amends TCA Title 4, Chapters 3 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 373 – Sunset Laws - Water quality control board, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 69, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 374 – Sunset Laws - Tennessee neighborhood development corporation, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 13, Chapter 13. by *Kernell, *Garrett, *Brooks.

House Bill No. 375 – Sunset Laws - Board of cosmetology, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 4, r. by *Kernell, *Garrett, *Brooks.

House Bill No. 376 – Sunset Laws - State board for licensing alarm systems contractors, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 62, Chapter 32. by *Kernell, *Garrett, *Brooks.

House Bill No. 377 – Sunset Laws - Board of registration in podiatry, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 378 – Sunset Laws - Board of examiners for nursing home administrators, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 16. by *Kernell, *Garrett, *Brooks.

House Bill No. 379 – Sunset Laws - Board of examiners in psychology, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 11. by *Kernell, *Garrett, *Brooks.

House Bill No. 380 – Sunset Laws - Board of dietitian/nutritionist examiners, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 63, Chapter 25. by *Kernell, *Garrett, *Brooks.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 381 – Sunset Laws - Occupational safety and health administration labor advisory council, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 50, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 382 – Sunset Laws - Real estate appraiser commission, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 62, Chapter 39. by *Kernell, *Garrett, *Brooks.

House Bill No. 383 – Sunset Laws - Panel on health care facilities penalties, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 68, Chapter 11. by *Kernell, *Garrett, *Brooks.

House Bill No. 384 – Sunset Laws - Water and wastewater operators, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 68, Chapter 221. by *Kernell, *Garrett, *Brooks.

House Bill No. 385 – Sunset Laws - Utility management review board, June 30, 2005. Amends TCA Title 4, Chapter 29 and Title 7, Chapter 82. by *Kernell, *Garrett, *Brooks.

House Bill No. 386 – Sunset Laws - Board for licensing health care facilities, June 30, 2006. Amends TCA Title 4, Chapter 29, and Title 68, Chapter 11. by *Kernell, *Garrett, *Brooks.

House Bill No. 387 – Sunset Laws - Aquaculture advisory board, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 43, Chapter 33. by *Kernell, *Garrett, *Brooks.

House Bill No. 388 – Sunset Laws - Pest control compact, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 43, Chapter 6. by *Kernell, *Garrett, *Brooks.

House Bill No. 389 – Sunset Laws - State soil conservation committee, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 43, Chapter 14. by *Kernell, *Garrett, *Brooks.

House Bill No. 390 – Sunset Laws - Department of agriculture, June 30, 2007. Amends TCA Title 4, Chapters 3 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 391 – Sunset Laws - Forestry commission, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 11, Chapter 4. by *Kernell, *Garrett, *Brooks.

House Bill No. 392 – Sunset Laws - Department of correction, June 30, 2003. Amends TCA Title 4, Chapters 3 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 393 – Sunset Laws - Board of claims, June 30, 2005. Amends TCA Title 4, Chapter 29, and Title 9, Chapter 8. by *Kernell, *Garrett, *Brooks.

House Bill No. 394 – Sunset Laws - Department of children's services, June 30, 2006. Amends TCA Title 4, Chapter 29, and Title 37, Chapter 5. by *Kernell, *Garrett, *Brooks.

House Bill No. 395 – Sunset Laws - Tennessee registry of election finance, June 30, 2007. Amends TCA Title 2, Chapter 10 and Title 4, Chapter 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 396 – Sunset Laws - Alcoholic beverage commission, June 30, 2007; specifies that monthly report by department of revenue on licensed dealers who are delinquent in paying taxes shall be on separate page for each dealer. Amends TCA Title 4, Chapter 29, and Title 57, Chapter 1. by *Kernell, *Garrett, *Brooks.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 397 – Sunset Laws - Tennessee claims commission, June 30, 2007. Amends TCA Title 4, Chapter 29, and Title 9, Chapter 8. by *Kernell, *Garrett, *Brooks.

House Bill No. 398 – Sunset Laws - Department of health, June 30, 2006. Amends TCA Title 4, Chapters 3 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 399 – Sunset Laws - Commission on children and youth, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 37, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 400 – Sunset Laws - Commission on firefighting personnel standards and education, June 30, 2007. Amends TCA Title 4, Chapters 24 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 401 – Sunset Laws - Tennessee governor's council on physical fitness and health, June 30, 2002. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 40. by *Kernell, *Garrett, *Brooks.

House Bill No. 402 – Sunset Laws - Families first advisory council, June 30, 2003. Amends TCA Title 4, Chapter 29, and Title 71, Chapter 3. by *Kernell, *Garrett, *Brooks.

House Bill No. 403 – Sunset Laws - Board of building code appeals, June 30, 2005. Amends TCA Title 4, Chapter 29, and Title 68, Chapter 120. by *Kernell, *Garrett, *Brooks.

House Bill No. 404 – Sunset Laws - Tennessee council for vocational-technical education, June 30, 2007. Amends TCA Title 4, Chapter 29 and Title 49, Chapter 11. by *Kernell, *Garrett, *Brooks.

House Bill No. 405 – Sunset Laws - Interstate mining compact, June 30, 2007. Amends TCA Title 4, Chapter 29; Title 59, Chapter 10. by *Kernell, *Garrett, *Brooks.

House Bill No. 406 – Sunset Laws - Local education insurance committee, June 30, 2005. Amends TCA Title 8, Chapter 27, and Title 4, Chapter 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 407 – Sunset Laws - Tennessee technology development corporation, June 30, 2001. Amends TCA Title 4, Chapters 14 and 29. by *Kernell, *Garrett, *Brooks.

House Bill No. 408 – Sunset Laws - Board of alcohol and drug abuse counselors, June 30, 2003. Amends TCA Title 4, Chapter 29, and Title 68, Chapter 24. by *Kernell, *Garrett, *Brooks.

House Bill No. 409 – Sunset Laws - Domestic violence state coordinating council, June 30, 2003; revises membership to require member from each congressional district. Amends TCA Title 4, Chapter 29, and Title 38, Chapter 12. by *Kernell, *Garrett, *Brooks.

***House Bill No. 410** – Sunset Laws - Tennessee alliance for fitness and health, June 30, 2001. Amends TCA Title 4, Chapter 29 and Title 4, Chapter 40. by *Kernell, *Garrett, *Brooks.

House Bill No. 411 – Motor Vehicles, Titling and Registration - Authorizes issuance of "Animal Friendly" specialty earmarked license plates; earmarks revenues from sale thereof to fund animal sterilization programs. Amends TCA Title 55, Chapter 4. by *Sharp.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 412 – County Government - Increases maximum monetary penalty county having charter form of government may set for violating county ordinances from \$500 to \$1,000; basically only applies to Knox County. Amends TCA Section 5-1-211. by *Hagood, *Tindell, *Boyer, *Bittle, *Dunn, *Buttry, *Armstrong.

***House Bill No. 413** – Consumer Protection - Establishes guidelines for dissemination of consumer credit reports; requires consumer reporting agencies to make certain disclosures to consumers; establishes guidelines for fees for certain disclosures; broadens violation provisions to include consumer reporting agencies. Amends TCA Title 47, Chapter 18. by *Beavers.

House Bill No. 414 – Checks, Deferred Presentments - Deletes 12:01 a.m. October 1, 1999, sunset provision in Section 22 of the Deferred Presentment Services Act. Amends Chapter 255 of the Public Acts of 1997. by *DeBerry L, *Cole (Dyer), *Phelan, *Gunnels, *Boyer, *Sargent, *Newton, *Ford S, *McKee, *Rinks, *Langster, *Armstrong, *Bittle, *Whitson, *Fitzhugh, *Ferguson, *White, *Bone, *Davidson, *Patton, *Eckles, *Jones U (Shelby).

SENATE BILLS TRANSMITTED

On motion, the Senate Bills listed below, transmitted to the House, were held on the Clerk's desk pending third consideration of the companion House Bill as noted:

Senate Bill No. 1 – Statutes - Codifies public acts of 1998. by *Wilder. (*HB2 by *Hargrove)

***Senate Bill No. 13** – Housing - Adds Trousdale County to those counties authorized to remedy dangerous conditions, including overgrown vegetation and accumulated debris, on owner-occupied lands. Amends TCA Section 5-1-115. by *Rochelle. (HB28 by *Bone)

HOUSE BILLS ON SECOND CONSIDERATION

On motion, bills listed below passed second consideration and were referred by the Speaker to Committee or held on the Clerk's desk as noted:

House Bill No. 168 – Taxes, Privilege – Caption Bill Held on House Desk

House Bill No. 169 – Highway Patrol – House State and Local Government Committee

House Bill No. 170 – Insurance, Health, Accident – House Commerce Committee

House Bill No. 171 – Courts, General Sessions – House Judiciary Committee

House Bill No. 172 – Regional Authorities – House Finance, Ways and Means Committee

House Bill No. 173 – Municipal Government – House Judiciary Committee

House Bill No. 174 – Labor, Dept. of – House Consumer and Employee Affairs Committee

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

***House Bill No. 175** – Criminal Offenses – House Judiciary Committee

***House Bill No. 176** – Taxes, Excise – Caption Bill Held on House Desk

***House Bill No. 177** – Taxes, Franchise – Caption Bill Held on House Desk

***House Bill No. 178** – Civil Procedure – Caption Bill Held on House Desk

House Bill No. 179 – Judges and Chancellors – House Judiciary Committee

***House Bill No. 180** – Taxes, Exemption – House Finance, Ways and Means Committee

***House Bill No. 181** – Firearms and Ammunition – House Judiciary Committee

House Bill No. 182 – Highway Signs – House Transportation Committee

***House Bill No. 183** – Board of Regents – House Education Committee

***House Bill No. 184** – University of Tennessee – House Education Committee

***House Bill No. 185** – Taxes, Sales – House Finance, Ways and Means Committee

***House Bill No. 186** – Taxes, Business – House Finance, Ways and Means Committee

***House Bill No. 187** – Election Laws – House State and Local Government Committee

***House Bill No. 188** – Public Defenders – House Judiciary Committee

***House Bill No. 189** – Lobbying, Lobbyists – House State and Local Government Committee

***House Bill No. 190** – Financial Disclosure – House State and Local Government Committee

***House Bill No. 191** – District Attorneys – House Judiciary Committee

House Bill No. 192 – Traffic Safety – House Transportation Committee

***House Bill No. 193** – Tort Liability – House Judiciary Committee

House Bill No. 194 – Taxes, Income – House Finance, Ways and Means Committee

House Bill No. 195 – Highway Signs – House Transportation Committee

***House Bill No. 196** – Annexation – House State and Local Government Committee

***House Bill No. 197** – Criminal Offenses – House Judiciary Committee

***House Bill No. 198** – Veterans – House Education Committee

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

***House Bill No. 199** – Real Estate Agents and Brokers – House Commerce Committee

***House Bill No. 200** – Election Laws – House State and Local Government Committee

***House Bill No. 201** – Municipal Government – House State and Local Government Committee

House Bill No. 202 – Overton County – Local Bill Held on House Desk

House Bill No. 203 – Motor Vehicles, Titling and Registration – House Transportation Committee

***House Bill No. 204** – Utilities, Utility Districts – House State and Local Government Committee

***House Bill No. 205** – Highway Signs – House Transportation Committee

House Bill No. 206 – Insurance Companies, Agents, Brokers, Policies – House Commerce Committee

***House Bill No. 207** – Highways, Roads and Bridges – House Transportation Committee

***House Bill No. 208** – Motor Vehicles – House Commerce Committee

***House Bill No. 209** – Criminal Offenses – House Judiciary Committee

***House Bill No. 210** – Courts, Juvenile – House Judiciary Committee

House Bill No. 211 – Tattoo Parlors and Piercing Establishments – House Health and Human Resources Committee

***House Bill No. 212** – Consumer Protection – House Consumer and Employee Affairs Committee

House Bill No. 213 – Penal and Reformatory Institutions – House State and Local Government Committee

***House Bill No. 214** – TennCare – Caption Bill Held on House Desk

***House Bill No. 215** – Privacy, Confidentiality – House Judiciary Committee

***House Bill No. 216** – Landlord and Tenant – House Commerce Committee

***House Bill No. 217** – Juvenile Offenders – House Judiciary Committee

***House Bill No. 218** – Historical Commission – House Conservation and Environment Committee

***House Bill No. 219** – Historical Commission – House Conservation and Environment Committee

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 220 – Education – House Education Committee

***House Bill No. 221** – Funeral Directors and Embalmers – House Commerce Committee

House Bill No. 222 – Taxes, Income – Caption Bill Held on House Desk

House Bill No. 223 – Local Education Agency – House Education Committee

House Bill No. 224 – Firefighters – House State and Local Government Committee

***House Bill No. 225** – Agriculture – House Government Operations Committee

***House Bill No. 226** – Landlord and Tenant – Caption Bill Held on House Desk

***House Bill No. 227** – Insurance, Health, Accident – House Government Operations Committee

***House Bill No. 228** – Environmental Preservation – Caption Bill Held on House Desk

***House Bill No. 229** – Education, Higher – House Education Committee

***House Bill No. 230** – Human Rights – House Judiciary Committee

***House Bill No. 231** – Business and Commerce – House State and Local Government Committee

***House Bill No. 232** – Driver Licenses – House Judiciary Committee

***House Bill No. 233** – Anatomical Gifts – House Health and Human Resources Committee

House Bill No. 234 – Industrial Development – House State and Local Government Committee

***House Bill No. 235** – TennCare – House Commerce Committee

***House Bill No. 236** – Highways, Roads and Bridges – House Transportation Committee

***House Bill No. 237** – Criminal Offenses – House Judiciary Committee

***House Bill No. 238** – Boards and Commissions – House State and Local Government Committee

***House Bill No. 239** – Pensions and Retirement Benefits – House Finance, Ways and Means Committee

***House Bill No. 240** – Pensions and Retirement Benefits – House Finance, Ways and Means Committee

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 241 – Litter Control – House State and Local Government Committee

House Bill No. 242 – Taxes, Privilege – House Finance, Ways and Means Committee

***House Bill No. 243** – Zoning – House State and Local Government Committee

***House Bill No. 244** – Insurance, Motor Vehicles – House Commerce Committee

***House Bill No. 245** – Zoning – House State and Local Government Committee

***House Bill No. 246** – Taxes, Sales – House Finance, Ways and Means Committee

House Bill No. 247 – Attorneys at Law – House Judiciary Committee

***House Bill No. 248** – Taxes, Gasoline, Petroleum Products -- House Finance, Ways and Means Committee

House Bill No. 249 – Newbern – Local Bill Held on House Desk

***House Bill No. 250** – Courts – House Judiciary Committee

***House Bill No. 251** – Game and Fish Laws – House Conservation and Environment Committee

***House Bill No. 252** – Game and Fish Laws – House Conservation and Environment Committee

***House Bill No. 253** – Teachers, Principals and School Personnel – House Education Committee

House Bill No. 254 – Education – House Education Committee

House Bill No. 255 – Education – House Education Committee

House Bill No. 256 – Hospitals and Health Care Facilities – Caption Bill Held on House Desk

House Bill No. 257 – Hospitals and Health Care Facilities – Caption Bill Held on House Desk

House Bill No. 258 – Public Defenders – House Judiciary Committee

House Bill No. 259 – Judges and Chancellors – House Judiciary Committee

House Bill No. 260 – Search & Seizure – House Judiciary Committee

House Bill No. 261 – County Officers – House State and Local Government Committee

House Bill No. 262 – Election Laws – House State and Local Government Committee

House Bill No. 263 – Liens – House Consumer and Employee Affairs Committee

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Bill No. 264 – Eminent Domain – House State and Local Government Committee

House Bill No. 265 – Traffic Safety – House Transportation Committee

House Bill No. 266 – Motor Vehicles, Titling and Registration – House Transportation Committee

House Bill No. 267 – Fireworks – House Commerce Committee

House Bill No. 268 – Public Records – House Judiciary Committee

House Bill No. 269 – Election Laws – House State and Local Government Committee

House Bill No. 270 – Union County – House Commerce Committee

***House Bill No. 271** – Motor Vehicles, Titling and Registration – House Government Operations Committee

House Bill No. 272 – County Boundaries – House State and Local Government Committee

***House Bill No. 273** – Public Health and Health Care – House Commerce Committee

***House Bill No. 274** – Water Pollution – House Conservation and Environment Committee

***House Bill No. 275** – Contractors – House Government Operations Committee

House Bill No. 276 – Animals – House Agriculture Committee

House Bill No. 277 – Tort Liability – House Judiciary Committee

House Bill No. 278 – Taxes – House State and Local Government Committee

CONSENT CALENDAR

House Resolution No. 5 – Memorials, Recognition and Thanks - Charles Wayne "Bubba" Rose. by *Phillips.

House Joint Resolution No. 24 – Memorials, Public Service - Homer G'Fellers, Mayor of Jonesborough. by *Patton, *Davis (Wash).

House Joint Resolution No. 25 – Memorials, Professional Achievement - James C. "Jim" Carlock, space research honoree. by *Windle.

House Joint Resolution No. 26 – Memorials, Retirement - Coach Vernon Prather, University of Tennessee, Martin. by *Maddox.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

House Joint Resolution No. 27 – Memorials, Personal Achievement - David Paul Johnson, Eagle Scout. by *Buttry.

House Joint Resolution No. 30 – Memorials, Sports - Jack Jolly, Chicago White Sox scout. by *Hood, *Eckles.

House Joint Resolution No. 31 – Memorials, Death - Elizabeth Carol Dykes. by *Davis (Cocke), *DeBerry L, *Whitson.

House Joint Resolution No. 32 – Memorials, Death - Allen Thomas. by *Davis (Cocke).

House Joint Resolution No. 35 – Memorials, Sports - Coach Phillip Fulmer and the University of Tennessee football team on winning the NCAA national championship. by *Frale, *Armstrong, *Bone.

Senate Joint Resolution No. 2 – Memorials, Death - Dancy L. Jones. by *Henry, *Cooper, *Harper, *Haun, *Herron, *Rochelle.

Senate Joint Resolution No. 8 – Memorials, Retirement - Dr. Joseph E. Johnson, University of Tennessee. by *Cooper, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

Senate Joint Resolution No. 9 – Memorials, Death - Mary Flora Page DeBerry. by *Cooper, *Cohen, *Herron.

Senate Joint Resolution No. 10 – Memorials, Retirement - John Ward and Bill Anderson, University of Tennessee broadcasters. by *Cooper, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

Senate Joint Resolution No. 11 – Memorials, Retirement - William R. Snodgrass, Comptroller of the Treasury. by *Cooper, *Henry, *Burks, *Womack, *Haynes, *Kyle, *Springer, *Cohen, *Graves, *Haun, *Herron, *Davis L, *Rochelle, *Atchley, *Blackburn, *Burchett, *Carter, *Clabough, *Cooper, *Crowe, *Crutchfield, *Dixon, *Elsea, *Ford J, *Fowler, *Harper, *Kurita, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Wilder, *Williams.

Senate Joint Resolution No. 12 – Memorials, Death - Harold Hornbeak. by *Herron.

Senate Joint Resolution No. 13 – Memorials, Professional Achievement - Dale Calhoun, National Heritage Award recipient. by *Herron.

Senate Joint Resolution No. 14 – Memorials, Academic Achievement - Linda Farmer, National Spelling Bee finalist. by *Herron, *Harper.

Senate Joint Resolution No. 15 – Memorials, Death - Senator T. Tommy Cutrer. by *Henry, *Cooper, *Womack, *Kyle, *Springer, *Graves, *Davis L, *Rochelle.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

Senate Joint Resolution No. 16 – Memorials, Academic Achievement - Bradley David Lambert. by *Davis L.

Senate Joint Resolution No. 18 – Memorials, Sports - 1998 Melrose High School football team, TSSAA Division 1, Class 3-A state champions. by *Cohen.

Senate Joint Resolution No. 22 – Memorials, Retirement - Judge Henry Franklin Todd. by *Haynes, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

Senate Joint Resolution No. 23 – Memorials, Sports - Coach Phillip Fulmer and University of Tennessee Volunteers, 1998 NCAA college football champions. by *Cooper, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

Senate Joint Resolution No. 24 – Memorials, Professional Achievement - Harriet Melson, 1998 Teacher of the Year, Tennessee Technology Center system. by *Womack, *Springer, *Kyle, *Harper, *Burks.

Senate Joint Resolution No. 44 – Memorials, Sports - Will Offenheusle, University of Tennessee football player. by *Herron.

Senate Joint Resolution No. 45 – Memorials, Sports - Chad Clifton, University of Tennessee football player. by *Herron.

Senate Joint Resolution No. 51 – Memorials, Retirement - Billy Willis. by *Kyle, *Atchley, *Blackburn, *Burchett, *Burks, *Carter, *Clabough, *Cohen, *Cooper, *Crowe, *Crutchfield, *Davis L, *Dixon, *Elsea, *Ford J, *Fowler, *Graves, *Harper, *Haun, *Haynes, *Henry, *Herron, *Kurita, *Kyle, *Leatherwood, *McNally, *Miller J, *Person, *Ramsey, *Rochelle, *Springer, *Wilder, *Williams, *Womack.

Rep. Patton moved that all members voting aye on House Joint Resolution No. 24 be added as sponsors, which motion prevailed.

Rep. Hargrove moved that all members voting aye on House Joint Resolution No. 35 and Senate Joint Resolution(s) No(s). 2, 8, 10 and 23 be added as sponsors, which motion prevailed.

OBJECTION – CONSENT CALENDAR

Objection(s) was/were filed to the following on the Consent Calendar:

Senate Joint Resolution No. 8: by Rep. Armstrong

Senate Joint Resolution No. 9: by Rep. Bowers

Senate Joint Resolution No. 11: by Rep. Hargrove

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

Under the rules, Senate Joint Resolution No: 8, 9, and 11 was/were placed at the foot of the calendar for February 10, 1999.

On motion of Rep. Hargrove, Senate Joint Resolution(s) No(s). 9 and 11 were held on the Clerk's desk.

On motion of Rep. Phillips, House Resolution No. 5 was withdrawn from the House.

Pursuant to **Rule No. 50**, Rep. Phillips moved that all House Bills having companion Senate Bills and are on the Clerk's desk be conformed and substituted for the appropriate House Bill, all Senate and House Bills on the Consent Calendar be passed on third and final consideration, all House Resolutions and House Joint Resolutions be adopted, and all Senate Joint Resolutions on the Consent Calendar be concurred in, which motion prevailed by the following vote:

Ayes	97
Noes	0

Representatives voting aye were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Winningham, Wood, Mr. Speaker Naifeh – 97.

A motion to reconsider was tabled.

ANNOUNCEMENTS

The Clerk announced that Pursuant to Public Chapter 817 of 1996, TACIR has filed its report on Tennessee Public Infrastructures Needs and Inventory Assessment for Fiscal Year 1998. In addition, the Joint Select Committee on Business Taxes has filed its annual year end report for fiscal year 1997-98. Each of these filings is available in the Clerk's office for review.

SPONSORS ADDED

Under **Rule No. 43**, the following members were permitted to add their names as sponsors as indicated below, the prime sponsor of each having agreed to such addition:

House Bill No. 448: Rep(s). Pruitt and S. Jones were added as primary sponsor(s).

House Bill No. 449: Rep. S. Jones was added as primary sponsor.

MESSAGE FROM THE GOVERNOR
February 8, 1999

MR. SPEAKER: I am directed by the Governor to return herewith: House Joint Resolution(s) No(s). 7 and 8, with his approval.

COURTNEY PEARRE, Counsel to the Governor.

ENGROSSED BILLS
February 8, 1999

The following bill(s) have been examined, engrossed, and are ready for transmission to the Senate: House Joint Resolution(s) No(s). 24, 25, 26, 27, 30, 31, 32, and 35.

BETTY KAY FRANCIS, Chief Engrossing Clerk.

MESSAGE FROM THE SENATE
February 8, 1999

MR. SPEAKER: I am directed to transmit to the House, Senate Bill(s) No(s). 3, 11, 15, 21, 24, 32, 39, and 41; all passed by the Senate.

CLYDE W. McCULLOUGH, JR., Chief Clerk.

***Senate Bill No. 3** – Insurance, Health, Accident - Requires fiscal review committee to prepare statement for each general bill that mandates coverage of health insurance benefit; statement to include estimated impact on premiums, including costs and costs savings to insurers, employers and health care system, stating reasons if no estimate can be given. Amends TCA Title 3, Chapter 2. by *Kurita, *Atchley.

***Senate Bill No. 11** – Motor Vehicles - Reduces time from 90 to 30 days within which motor vehicle towing firms and storage yards must notify owners and lienholders of impoundment. Amends TCA Section 55-23-104; Section 55-23-103 and Section 66-19-103. by *Rochelle, *Cohen. (HB30 by *Bone)

***Senate Bill No. 15** – Highway Signs - "Colonel Clyde H. Wherley Memorial Bridge," U.S. 231 South at Robinson Road in Bedford County. by *Womack. (HB9 by *Phillips)

***Senate Bill No. 21** – Bail, Bail Bonds - Provides that electronically transmitted facsimile copy of written bail undertaking has same legal effect as original written undertaking; facsimile of written undertaking signed by defendant has same legal effect as original signed by defendant. Amends TCA Section 40-11-114. by *Cohen. (HB17 by *Todd)

***Senate Bill No. 24** – Criminal Offenses - Makes interference with any civil process server Class B misdemeanor unless offender uses a deadly weapon to interfere with process server, in which event Class A misdemeanor. Amends TCA Section 39-16-602. by *Cohen.

***Senate Bill No. 32** – Judges and Chancellors - Allows chancellor serving fourth and fifth judicial districts to reside in either district. Amends TCA Section 16-2-506. by *Clabough.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

Senate Bill No. 39 – Bail, Bail Bonds - Repeals provision prohibiting constitutionally elected peace officer, deputy or any county official from acting as professional bondsman. - Repeals TCA Section 40-11-313. by *Womack. (*HB41 by *Hood, *Beavers, *Eckles)

Senate Bill No. 41 – Highway Signs - "John H. Sallee Memorial Bridge," Florence Road over S.R. 840 in Rutherford County. by *Womack. (*HB39 by *Eckles, *Beavers, *Hood)

ROLL CALL

The roll call was taken with the following results:

Present.....97

Representatives present were: Armstrong, Arriola, Baird, Beavers, Bittle, Black, Bone, Bowers, Boyer, Briley, Brooks, Brown, Bunch, Buttry, Caldwell, Chumney, Cole (Carter), Cooper, Curtiss, Davidson, Davis (Cocke), Davis (Washington), DeBerry J., DeBerry L., Dunn, Eckles, Ferguson, Fitzhugh, Ford, Fowlkes, Fraley, Garrett, Givens, Godsey, Goins, Gunnels, Hagood, Hargett, Hargrove, Harwell, Hassell, Head, Hood, Jackson, Jones S., Jones U., Kent, Kernell, Kerr, Kisber, Langster, Lewis, Maddox, McAfee, McCord, McDaniel, McDonald, McKee, McMillan, Miller, Montgomery, Mumpower, Newton, Odom, Patton, Phelan, Phillips, Pinion, Pleasant, Pruitt, Rhinehart, Ridgeway, Rinks, Roach, Robinson, Sands, Sargent, Scroggs, Sharp, Stulce, Tidwell, Tindell, Todd, Towns, Turner (Hamilton), Turner (Shelby), Walker, Walley, West, Westmoreland, White, Whitson, Williams, Windle, Wunningham, Wood, Mr. Speaker Naifeh -- 97.

RECESS MOTION

Rep. Hargrove moved that the House stand in brief recess, pursuant to Senate Joint Resolution No. 19, to meet with the Senate in Joint Convention for the State of the State Address by the Governor, at the conclusion of which the House recessed until 2:00 p.m., Wednesday, February 10, 1999, which motion prevailed.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

IN JOINT CONVENTION

STATE OF THE STATE ADDRESS

MONDAY, FEBRUARY 8, 1999

The hour having arrived, set by Senate Joint Resolution No. 19, the Senate met with the House in Joint Convention for the purpose of hearing the Governor's State of the State address.

The Joint Convention was called to order by Mr. Speaker Wilder, President of the Joint Convention.

On motion of Senator Crutchfield, the Senate dispensed with Senate Roll Call.

On motion of Representative Hargrove, the House dispensed with the House Roll Call.

The Clerk of the Senate read Senate Joint Resolution No. 19 authorizing the Joint Convention.

On motion of Rep. Hargrove, Mr. President Wilder appointed Senators Cohen, Crowe, Davis, Graves, Fowler, and McNally; Representatives Beavers, Lois DeBerry, Harwell, Hassell, Pruitt, and Turner (Hamilton) to escort the Governor into the Chamber. Senator McNally served as Chair of the Committee.

BRIEF RECESS

The Joint Convention was called to order by Mr. President Wilder.

Without objection, the roll calls of the Senate and House were dispensed with.

Senator McNally announced that the Honorable Don Sundquist was ready to be escorted to the podium.

Mr. President Wilder asked the Committee to Escort the Honorable Don Sundquist to please come forward.

Mr. President Wilder introduced the Honorable Don Sundquist.

MESSAGE BY GOVERNOR SUNDQUIST

Governor Wilder, Speaker Naifeh,
Members of the 101st General Assembly,
Constitutional Officers,
Justices of the Supreme Court,
Attorney General Summers,
Members of the Cabinet,
My fellow Tennesseans...

I come before you this evening to fulfill my constitutional obligation to "give to the General Assembly information of the state of the government".

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

The framers of our state's constitution followed the example of our nation's founding fathers; they crafted a government built on a system of checks and balances among the executive, legislative and judicial branches.

I am mindful that the voters who returned our administration to office also returned the vast majority of senators and representatives who sought another term. They did so because they are satisfied with the way we have jointly guided our state's policies and progress. And they did so in the hope and expectation that we will continue to work together to meet the great challenges of Tennessee's third century.

In my inaugural address I quoted Thomas Jefferson: "every difference of opinion is not a difference of principle". We hold more in common as Tennesseans than we hold differently as partisans. We are, as Jefferson said, "brethren of the same principle". For our citizens and for our state's future, it is important that we work together to do what's right for Tennessee.

We can have no finer example to follow than that of a man who made it his life's work to do what's right for Tennessee – our recently retired Comptroller William Snodgrass. For 44 years Mr. Snodgrass was Tennessee's fiscal watchdog. It is not by accident that Tennessee is one of the handful of states to have earned AAA bond ratings from all the major rating agencies. He did excellent work alongside governors of both parties. He is the very model of principled public service. On behalf of all Tennesseans I say, thank you, Mr. Snodgrass.

In many important respects, the State of our State has never been better:

- Our policies have encouraged an unprecedented season of economic growth for our state – four consecutive record years for business investment and job creation. Over the first 8 years of this decade Tennessee ranks 4th in the nation in personal income growth.
- In the last four years we have increased state funding for our public schools from 1.88 billion dollars to more than 2.4 billion, and we have begun an important debate about how to improve our colleges, universities and technical schools.
- The crime packages we have crafted together have helped to reduce crime and to make our neighborhoods safer.
- Our TNKids initiative has focused the state's attention on the well-being of our children as never before.
- The welfare reforms we enacted together have resulted in a 60 percent drop in the number of employable adults on welfare.
- Our environment is the cleanest it's been in a generation.

It is precisely because our state is experiencing good times that we have the opportunity to plan ahead. So, tonight I will dwell not so much on the State of our State but rather on what we must do to meet the challenges of the 21st century.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

Our Poet Laureate, Margaret Britton Vaughn, opens her Bicentennial poem with the reminder that:

"The fertile soil of Tennessee grew more than corn, tobacco and cotton. It grew a crop of people who are Trailblazers..."

Tonight, I urge the members of the historic 101st General Assembly to join me in claiming that distinction for ourselves.

Seventy-six years ago, Governor Austin Peay and the 73rd General Assembly faced up to a similar challenge. They met it by enacting reforms that influenced our state's course for decades to follow. They made it possible:

- to improve public education;
- to build hundreds of miles of modern highways;
- to provide state funds for the first time to the University of Tennessee and other institutions of higher learning;
- to create our system of state parks and
- to clear the way for creation of the Great Smoky Mountains National Park.

These are important and lasting achievements, and they are the reason we remember Governor Peay and his contemporaries today.

And they were made possible by the first important reforms Austin Peay undertook – the reorganization of government and the reform of the tax code.

Tonight, I intend to discuss these same issues – government reorganization, tax reduction and fairness – and one other that's become a concern in our day, the stability of TennCare.

I use Austin Peay as a point of reference because in many ways his administration ushered Tennessee into the 20th century. But his reforms came 23 years after the century dawned, following years of drift and indecision, and so they were undertaken in response to a crisis.

Tennessee today is not in crisis, but one looms on the not too-distant horizon and knowing this, we have an obligation to act now to forestall it.

Interestingly, our situation today is strikingly similar to that of Governor Peay's day. The economy has changed, and the way Tennesseans live and work has changed, but our government and tax structure have not.

In the 1920's, state government still relied on property tax revenue, just as it had in the 1800's. Property taxes met the state's needs back when most Tennesseans farmed and when agriculture was the largest sector of our economy.

But by the 1920's most Tennesseans were not farmers. The dominant forces in the state's economy were business and industry.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

As Governor Peay explained it:

"Our taxing system was devised in the beginning for an agricultural state, and although government has expanded in all directions, and its demands have enormously increased, it has continued to lay the increasing burden on land. It has not shifted the proper share of cost to the income producing property, which has come into existence with modern business."

The result was the steady erosion of the state's tax base to the point that – even in a time of plenty – state government operated in the red, unable to fund vital services.

Most economic activity occurred beyond the reach of the state's property tax, and those whom the tax did reach bore an unfair and heavy burden.

Governor Peay and his contemporaries responded with sweeping tax reform. They abolished the state property tax and replaced it with Franchise & Excise taxes, which imposed a lower tax rate but spread the tax burden fairly and broadly.

For the 76 years since, Franchise & Excise taxes have been Tennessee's principal business taxes.

F&E taxes apply to corporations. In the 1920's, that's how the vast majority of businesses organized themselves.

Today, however, businesses have other options; they can organize as Limited Liability Companies or LLCs; as limited partnerships; as sole proprietorships – all entities which operate outside the boundaries of our F&E taxes.

What's more, the passage of time and changing business practices have revealed the F&E tax to be full of loopholes.

For example:

- One business in this state reorganized itself in 1997 and cut its state taxes from about 195 thousand dollars to just 10 – not ten thousand – ten dollars!
- In another instance, a national chain with outlets in Tennessee reorganized and lowered its state taxes from nearly one million dollars to 7 thousand dollars.

Many businesses are able to essentially zero-out their tax liability with the stroke of a pen – and increasing numbers of them are doing just that.

As a result, at a time when our economy is strong – in fact, in the midst of the best economic year we've ever had – F&E tax collections this fiscal year are running 8 percent below actual collections from the previous year.

And it will get worse. Our F&E tax is projected to erode by more than 100 million dollars annually for years to come.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

It's 1923 all over again. A vast and growing amount of economic activity is taking place beyond the reach of our state's principal business taxes, and those who do pay the tax, pay one of the higher tax rates in the Southeast.

This is the situation I propose to remedy – not by raising business tax rates – but by cutting them, and applying them fairly and broadly as part of a package of tax reduction, simplification, and reform: the Tax Relief and Fairness Act of 1999.

I call on this General Assembly :

- To repeal the sales tax on grocery food;
- To repeal the franchise and excise taxes and
- To replace them with a single, simplified and lower business tax rate, applied fairly to all businesses in Tennessee, regardless of how they are organized.

Let me take them one at a time.

Repealing the sales tax on grocery food will mean tax relief for every single Tennessee household. For an average family of four, it means annual savings of almost 500 dollars. It will also help grocers in the many Tennessee communities that are within an easy drive of competitors across state lines.

Because our repeal of sales taxes on grocery food will also affect the local-option sales taxes collected on those items, I recommend that the state replace the revenues local government will lose.

Eliminating the sales tax on food is a goal many of us have shared, but have been unable to fund. It is achievable now, as part of the Tax Relief and Fairness Act.

The Tax Relief and Fairness Act also repeals the F&E taxes and replaces them with what we call the fair business tax. It represents tax savings for many and tax fairness for all.

It is also simple; the return fits on the front of a single sheet of paper.

It involves a straightforward calculation: 2 ½ percent of a company's compensation and 2 ½ percent of the profit it reports for federal tax purposes. We will exempt the first 50 thousand dollars in each category.

With those exemptions, more than 100 thousand small businesses – sole proprietorships, family farms – will owe no tax and won't even have to file a return.

The fair business tax treats all businesses alike, regardless of how they choose to organize themselves.

And because the fair business tax applies to all businesses, we can afford to sharply reduce the business tax rate. At 2 ½ percent, it will be one of the lowest business tax rates in America.

For companies looking for a fair deal, our state will be even more attractive as a business location. But those looking for tax loopholes should look elsewhere.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

You will hear the outcry of those who have had a free ride and now object to paying their fair share. You will hear from those who say we ought to preserve special breaks for some businesses and impose an income tax on working Tennesseans.

That's not tax relief; it's not tax reform; it's not tax simplification; and it's not tax fairness.

All an income tax does is raise the tax burden on Tennesseans and create a way to finance the easy and endless expansion of government. Tennessee does not need a state income tax.

I know you will be heavily lobbied – especially since our tax applies to lobbyists, too – but make sure the lobbyists aren't the only ones you listen to.

Listen as well to the softer and more numerous voices of those who will pay less: the thousands of businesses for whom we provide fairness and lower rates; the millions of families for whom we provide sales tax relief.

What I propose are the most sweeping business tax changes Tennessee has undertaken in three-quarters of a century.

The Tax Relief and Fairness Act of 1999 accomplishes what Austin Peay's reforms did in the 1920's – they adapt our business tax structure to the way business is done today:

- We treat every business the same.
- We close loopholes.
- By making the business tax simple, we make it harder for people to game the system, and by cutting the tax rate, we vastly reduce their incentive to try.

In addition, we make possible the biggest sales tax reduction in our state's history – 549 million dollars in tax relief.

That represents hundreds of dollars in tax relief for every family, especially to those struggling to make ends meet.

And, we assure our state of a broad, equitable and elastic tax base that will adequately support vital services for our citizens – now and well into the future. That must figure into your deliberations, as well.

We've set ambitious priorities:

- Offering our children a safe, healthy start and
- An excellent education
- Creating economic opportunity
- Protecting public safety and health, and our environment

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

In the near future, we want to turn our attention to improving higher education and providing an expanded range of home care services for older Tennesseans.

The Tax Relief and Fairness Act will give our state the solid financial foundation we need to address those objectives.

Revenue, however, is only one side of the coin; the other is making sure we do government's work better and become more selective about what government's work is.

The last time our state reorganized its cabinet-level departments was 1959. A great deal has changed in the 40 years since.

Today, it is increasingly important that we are able to work together across departmental lines. Welfare reform, for instance, draws on the resources of seven departments. Our TNKids initiative coordinates the efforts of five departments.

Later this spring, I intend to create cabinet working groups to better coordinate related services among departments.

I have asked the Commissioner of Finance & Administration, John Ferguson, to direct this project.

Members of my cabinet will lead some of these working groups. In other instances, I will be adding respected executives to my staff to lead these groups

I do not believe we need to radically alter the structure of state government. I do believe we can more sensibly group related functions, and I believe there are many areas where inter-departmental cooperation can mean better service for our citizens.

We will pursue those changes carefully and in consultation with you. I approach this as one approaches the renovation of a fine old home; the foundation and structure are strong, but we need to rewire and remodel for the way we live and work today.

I do ask your support for one specific reorganization proposal, having to do with workforce development. Like the Tax Relief and Fairness Act, our workforce development program changes the way we do business in order to keep pace with changes in the economy.

The economy of the Technological Age will require workers to continue to acquire and upgrade skills throughout their working lifetime. The current job training system just isn't up to the job.

It is complicated, cumbersome and inefficient. In too many instances, the current system is not training people for the jobs employers are creating.

In its place, I urge you to consolidate job training and placement programs currently scattered among the departments of Labor, Employment Security, Education, Economic & Community Development, and Human Services.

This is partly a matter of necessity – we need to conform to federal changes in job training programs. But this is also a matter of genuine importance to Tennessee employers and workers.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

In fact, few workplace issues have united our state's employers and workers the way our workforce development plan has.

Our plan has the enthusiastic support of business groups, organized labor, and many community organizations involved in job training partnerships.

The legislation we offer – sponsored by Senators Jerry Cooper and Ben Atchley and Representatives Matt Kisber and Steve McDaniel – enjoys bipartisan support.

It reflects the consensus here in Tennessee that we need to do a better job training and retraining our citizens for good jobs, and helping to match them up with employers who need willing workers with today's skills.

Our workforce development reforms represent an investment in our citizens, a way to help them compete for and win good jobs.

It will also be a catalyst for economic expansion and job creation by providing Tennessee business and industry with the skilled labor force they need to compete in the global economy.

I urge you to pass the workforce development bill and let us get to work putting Tennesseans to work.

There is one other very important reform we must take on this year – one that affects both our state's financial stability and the well-being of 1.3 million of our fellow Tennesseans. I am talking about the program that is rightly regarded as Governor Ned McWherter's legacy – TennCare.

Five years ago, Governor McWherter enlisted your help in creating TennCare, saying:

"At stake is nothing less than the financial stability of state government and the access to health care for 1.5 million Tennesseans."

Our administration has worked with you through TennCare's start-up problems and growing pains. In many ways, TennCare has been a success for our state and our citizens.

- We have extending coverage to 400 thousand people who would not otherwise have health insurance.
- We have made health care coverage universally available to children.
- Our child immunization rate has reached an all-time high, while rates of teen pregnancy and infant mortality have fallen to all-time lows.

The federal government has renewed our TennCare waiver and other states view our program as a model for their own. And Tennessee has saved billions of dollars compared to what we would have spent on Medicaid.

But in the fast-changing arena of health care, five years is a lifetime. TennCare was begun in a different era – before the rise in pharmaceutical costs, before federal Medicaid changes, before the changing circumstances of hospitals.

Those changes within the health care industry have affected TennCare.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

I am convinced that many of our operational shortcomings have their roots in deeper, systemic problems.

Recently, we have added Brian Lapps as our new TennCare Director. His background makes him uniquely qualified to address the operation problems, and also to help us adapt TennCare to the changing structural issues affecting the health care industry landscape.

We believe we understand many of the most significant problems, namely:

- TennCare provides a richer package of benefits that most Tennesseans can afford to buy for themselves. Our coverage for prescription drugs is especially generous, to the point that fully 22 percent of our TennCare dollars are spent on prescription drugs. That is far above the national Medicaid average, and it is unsustainable.
- Secondly, TennCare's eligibility rules are too easily gamed. If you had an auto accident this afternoon, you wouldn't expect to be able to buy auto insurance tonight and have your repairs covered tomorrow; but we allow people to opt-out of TennCare until they need it, collect the benefits, and then drop out again when the premiums are due.

And that's not the only way we're being gamed. We have anecdotal evidence of high-income individuals and out-of-state residents utilizing TennCare as their safety net – a role never envisioned for this program.

- We are experiencing a significant increase in the number of TennCare clients who are considered "uninsurable". Our eligibility criteria are so broad that an "uninsurable" person is basically anyone who says he or she is uninsurable.
- We have evidence to suggest that insurers and businesses are "cherry picking", structuring their health benefits in a way that encourages those with high-cost conditions to get on TennCare.

Taken together, these factors are sharply increasing TennCare's costs. Our projections are that TennCare's budget will require recurring increases of more than 142 million dollars annually.

We are close to finding ourselves back where we were before TennCare, when the ruinously expensive Medicaid program threatened our state's solvency.

Remember Governor McWherter's warning in 1993:

"Our attempts to keep paying for the current health care system will eventually destroy the quality of every state service in Tennessee. We could add a half cent to the sales tax each year forever and not keep pace with the cost of Medicaid."

We must protect the health care system on which 1.3 million Tennesseans depend, and we must protect the financial stability of our state.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

As a starting point:

- I propose that TennCare enrollment be closed to all adults except those who are Medicaid eligible. This will stabilize program costs in the short term and give us time to work with you to address the larger issues.
- I propose that we make TennCare's package of benefits no more generous than what most Tennesseans can afford to buy for themselves.
- I propose to ask the federal government to amend our TennCare waiver, to permit changes in eligibility and premiums. We must be able to prevent people from "gaming" the system. We must be able to require that those who can pay for their coverage do so.
- I propose that we examine methods to address the adverse selection occurring in our program. It is important that all public and private parties carry their financial share in assuring access to high quality health care for Tennesseans.

These reforms will stabilize TennCare and return it to its first principles. With costs stabilized, our goal will be to re-open enrollment and to keep it open. But first we must address TennCare's structural shortcomings. The time to do so is now.

I have spoken tonight about difficult issues – tax relief and fairness, the reorganization of state government, the reform of TennCare.

But I believe every problem also presents opportunity. The opportunity we have is a rare one. It is the same opportunity Austin Peay and 73rd General Assembly seized in 1923, when they refashioned our government and tax structure for the 20th century, and in so doing, ushered in one of the most remarkable seasons of progress our state has known.

We can claim such a legacy for ourselves, if we too, will rise to the challenge of our day.

I have outlined a bold program to seize our opportunities and to address our problems, not just for this year, but for many, many years to come.

- By establishing a tax structure that is broad, fair, elastic and built on low rates;
- By organizing government for the way people live and work in the 21st century;
- By assuring that our safety net programs provide good service at a cost our taxpayers can abide –

– our program will make possible the season of promise that all of us desire for our state.

It will give us the means to continue to improve our schools, and to begin to create one of the nation's best systems of higher education.

It will enable us to help our children get a safe, healthy start, to offer a health care safety net to all who need it, and to expand health care options for our older citizens.

It will enable us to fight crime, punish criminals and keep our neighborhoods safe.

MONDAY, FEBRUARY 8, 1999 -- FOURTH LEGISLATIVE DAY

It will enable us to protect the natural beauty all around us in Tennessee and to pass it on to our children, and to their children.

I ask you to act boldly today to ensure a brighter tomorrow for our citizens.

Earlier this evening, I quoted Jefferson. Let me close by invoking one of my favorite presidents, the plain-spoken Harry Truman:

"Plowing a field with a mule is the most satisfying thing a man can do. And at the end of the day, looking over what you've done, you can feel a real sense of accomplishment, and that's a very rare thing."

A rare opportunity presents itself. It's a big field that I propose we plow this year. But when we adjourn this historic 101st General Assembly, we, too, can look over what we've done with that rare sense of accomplishment at what we've done to prepare Tennessee for the future.

Thank you, God bless you, and good night.

President Wilder relinquished the gavel to Speaker Naifeh.

President Naifeh declared the purpose of the Joint Convention accomplished, thus the Joint Convention was dissolved.